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UNITED STATES PATENT AND TRADEMARK OFFICE
Trademark Trial and Appeal Board
P.O. Box 1451
Alexandria, VA 22313-1451

Mailed: March 21, 2006

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Opposition Nos. **91161633**
91161648

HERA, LLC

v.

EC&C Technologies, Inc.

Before Hohein, Walters and Walsh,
Administrative Trademark Judges.

By the Board:

Applicant, EC&C Technologies, Inc., filed two applications on September 3, 2003: One to register the mark AOD¹ and one to register the mark AMMONIA ON DEMAND,² both for "Systems for producing ammonia on site consisting of urea feed stock hydrolyzers in the nature of chambers that provide a chemical reaction resulting in the decomposition of the urea for use in producing ammonia to assist in various processes for controlling air pollution from the burning of fossil fuel in electrical power production facilities" in International Class 11. The applications were opposed by Hera, LLC on August 5 and 6, 2005,

¹ Serial No. 78295543, alleging a bona fide intention to use the mark in commerce.

² Serial No. 78295514, alleging a bona fide intention to use the mark in commerce, and disclaiming the word "Ammonia".

respectively, on the ground that there is a likelihood of confusion between applicant's marks and opposer's prior use of the same marks for the same goods.³

This case now comes up on applicant's motion for summary judgment on the basis of priority of use, filed February 15, 2005. As grounds for its motion, applicant alleges that opposer assigned its rights in the AOD mark, including the then-pending application, to a third party in 1999; that the registration that issued for the mark was subsequently surrendered in 2003; and that there is no evidence of use by opposer before applicant's constructive use date of September 3, 2003. As for the AMMONIA ON DEMAND mark, applicant contends that opposer has never treated those terms as a mark, and that because opposer has not established that such terms function as a trademark, it cannot establish priority of use.

Opposer responds, and contends, *inter alia*, that opposer has prior use of AOD since 1998 "individually or via use by its licensee..." and that it believes the AMMONIA ON DEMAND words are associated with opposer or its former licensee.

³ Opposer filed two applications to register the marks claimed in its notice of opposition for the same goods listed in the opposed applications on September 22, 2005, claiming dates of first use anywhere and first use in commerce of November 1, 1998. Serial No. 78303832 is for the mark AOD, and Serial No. 78303870 is for the mark AMMONIA ON DEMAND with "Ammonia" disclaimed. Both

The burden is on the party moving for summary judgment to demonstrate the absence of any genuine issue of material fact, and that it is entitled to summary judgment as a matter of law. Fed. R. Civ. P. 56(c). See also *Celotex Corp. v. Catrett*, 477 U.S. 317 (1986). The evidence of record and any inferences, which may be drawn from the underlying undisputed facts, must be viewed in the light most favorable to the non-moving party. See *Olde Tyme Foods Inc. v. Roundy's Inc.*, 961 F.2d 200, 22 USPQ2d 1542 (Fed. Cir. 1992). In considering the propriety of summary judgment, the Board may not resolve issues of material fact against the non-moving party; it may only ascertain whether such issues are present. See *Opryland USA, Inc. v. Great American Music Show, Inc.*, 970 F.2d 847, 23 USPQ2d 1471 (Fed. Cir. 1993); and *Lloyd's Food Products Inc. v. Eli's Inc.*, 987 F.2d 766, 25 USPQ2d 2027 (Fed. Cir. 1993).

The AOD Mark

In support of its position that there is no genuine issue of material fact regarding opposer's lack of priority in the use of the AOD mark, applicant has provided as evidence: (1) a copy of the file wrapper of a prior intent-to-use application filed by opposer on February 17, 1999;

applications are presently suspended pending a decision in these consolidated proceedings.

(2) opposer's patent licensing agreement⁴ with a third party, Environmental Elements, Corp. (hereinafter "Environmental"), dated June 8, 1999; (3) a copy of the assignment of opposer's prior application⁵ to register AOD to Environmental Elements,⁶ dated November 29, 1999; (4) the declaration of Herbert W. Spencer III, an officer of applicant, providing a redacted copy of a litigation settlement agreement of a patent infringement suit between applicant et al. and Environmental Elements, dated October 3, 2003; and (5) a copy of Environmental Elements surrender of the registration that issued from opposer's prior application.⁷

⁴ This is a redacted copy of the license agreement between Hera, LLC et al. and Environmental Elements, executed June 8, 1999. It was provided to applicant in response to discovery and counsel for Hera represented that the redacted version is complete in regard to the issues in these proceedings. It is a patent license agreement to the extent it licenses "products." Section 11.4 deals with trademarks, stating that no "right, title or license is granted by, or shall be implied from this Agreement under any trademark, tradename...".

⁵ Application Serial No. 75638370, filed by Hera, LLC on February 17, 1999, for the mark AOD for the same goods in the current applications, claiming a bona fide intention to use the mark in commerce under § 1(b). This application was assigned to Environmental on November 29, 1999. Environmental filed a statement of use on September 19, 2001, claiming dates of first use anywhere and first use in commerce of May 31, 2000. Registration No. 2553144 issued to Environmental Elements on March 26, 2002.

⁶ Recorded at Reel 2001/Frame 0005 on December 7, 1999, executed November 28, 1999, from Hera, LLC to Environmental Elements Corp.

⁷ Reg. No. 2553144 was surrendered on October 3, 2003 and cancelled under Section 7(e) on November 18, 2003.

In response to this prima facie showing as to priority of use of the mark, opposer, as the non-moving party, has provided two declarations: one from Howard E. Sandler, counsel and an officer of opposer, and one from Felix E. Spokoyny, an officer of opposer. These declarations state the declarants' beliefs as to the use of the marks and are not supported by exhibits.⁸

Having carefully considered the evidence and arguments submitted by the parties in connection with the motion as to the AOD mark, we find that there is no genuine issue of material fact that when opposer transferred its rights in the AOD mark and its prior application to Environmental, it thereby assigned away any rights it may have had in the mark along with the application.

To establish its prior use, opposer argues that Environmental's use of the mark inured to its benefit because Environmental was its licensee. However, this argument fails because Environmental was not a trademark

⁸ While opposer attached exhibits to its notices of opposition, Trademark Rule 2.122(c)(2) specifically provides with respect to exhibits attached to pleadings that: "Except as provided in paragraph (d)(1) of this section, an exhibit attached to a pleading is not evidence on behalf of the party to whose pleading the exhibit is attached unless identified and introduced in evidence as an exhibit during the period for the taking of testimony." Thus, because the exhibits to the notices of opposition were not specifically introduced in support of opposer's response to the motion for summary judgment, they are not of record and do not constitute evidence. TBMP Sections 317 and 704.05(a). Even if the Board were to consider such exhibits, however, it would not change the decision herein.

licensee of opposer. Environmental owned the mark, and any use of the mark was its own and did not inure to opposer's benefit. Thus, opposer lost any rights it had in the mark when it assigned it to Environmental. Moreover, even if the exhibit pertaining to the October 3, 2003 "Proposal A-1308" (ex. 6 to Notice of Opposition) was considered to be evidence which is of record, such date is after applicant's constructive use date of September 3, 2003. Opposer therefore has not established priority of use, and accordingly, applicant's motion for summary judgment is hereby granted as to the AOD mark.

The AMMONIA ON DEMAND Mark

Applicant has provided the following evidence, in support of its position that opposer does not have priority in the use of the "ammonia on demand" mark, and that there is no genuine issue of material fact as to opposer's lack of priority:

(1) the declaration of Herbert W. Spencer III, an officer of applicant, who, with supporting exhibits, states that he:

"conducted a search of the advertising, literature and websites of companies in the field of providing or using systems involving the conversion of urea to ammonia to meet the demand for ammonia needed to scrub nitrogen oxides from the combustion gas effluent of fossil fueled electric generation power plants. There is no indication that the term "ammonia on demand" was ever used to signify a single source prior to late 2003."

(dec. p. 1-2);

(2) a Department of Energy Report showing the use of the words "ammonia on demand" to be used descriptively and applicable to more than one source of this technology (ex. C of dec.);

(3) Internet search results showing descriptive usages of the term (exhibits D - F of dec.); and

(4) a redacted copy of the patent litigation settlement between applicant and Environmental whereby Environmental agreed to:

"discontinue all use of the names and marks "AMMONIA ON DEMAND," "AOD" and any name or mark confusingly similar thereto throughout the world, and Environmental shall not license or authorize any other person to use such names or marks anywhere in the world."

(Ex. A to Spencer Dec. para. 2.3).

In response, and in support of opposer's claim of ownership and prior use of "Ammonia on Demand" as a mark, opposer has provided two declarations, one from Howard E. Sandler, an officer of opposer, and one from Felix E. Spokoyny, also an officer of opposer. Both declarations, unsupported by exhibits, state: "...it is clear in my mind that the consuming public identifies these marks with opposer or its former licensee" and contends that applicant's "exhibits C-F demonstrate such trademark use." ⁹ Additionally, in its brief, opposer argues that "the prior

⁹ Those exhibits were submitted through the declaration of Herbert Spencer, in support of applicant's motion for summary judgment.

pleadings in this case are replete with examples of opposer's prior use of the mark since 1998, either individually, or via use by its licensee Environmental" (Br. p. 7);¹⁰ and that "customers consistently refer to the Ammonia on Demand and/or AOD system as the system represented by the design and manufacture of the opposer, or of opposer's prior Licensee, Environmental". (Br. p. 7). Further, opposer discusses "several matters"¹¹ that are unsupported, and, in fact, controverted by the evidence of record.

Federal Rule of Civil Procedure 56(c) provides:

"...The judgment sought shall be rendered forthwith if the pleadings, depositions, answers to interrogatories, and admissions on file, together with the affidavits, if any, show that there is no genuine issue as to any material fact and that the moving party is entitled to a judgment as a matter of law."

¹⁰ Opposer does not specify what evidence is in the record which it considers to constitute "replete with examples". The only evidence of prior use of the mark since 1998 was provided by applicant inasmuch as opposer's exhibits to its Notices of Opposition cannot be considered evidence under Trademark Rule 2.122(c)(2) since the exhibits are not part of the record.

¹¹ These "matters" are (1) that when opposer terminated its patent license agreement with Environmental, "it was always an understanding amongst [sic] opposer and Environmental that termination for breach... or otherwise withdrawal by Environmental from the AOD/Ammonia on Demand system business would result in a return of the proprietary elements to opposer, including the trademarks and good will, [as] opposer requested Environmental to make the assignment of the trademarks in question as a part of the written settlement."; and (2) that "the return of the trademarks was discussed, and understood by opposer to be orally agreed to...". (Br. at pages 5-6).

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Federal Rule of Civil Procedure 56(e) requires a non-moving party to go beyond the pleadings and to designate "specific facts showing that there is a genuine issue for trial."

Celotex Corp. v. Catrett, *supra* at 324.

In its response to the motion, opposer has not provided any exhibits in support of its affidavits nor identified those portions of the record before the Board that show that it has used "Ammonia on Demand" as a trademark prior to October 23, 2003. To raise a genuine issue of material fact, opposer must rely on specific facts that establish the existence of an association of "Ammonia on Demand" with opposer as a "single source" prior to applicant's constructive use date of September 3, 2003. See *PacTel Teletrac v. T.A.B. Systems*, 32 USPQ2d 1668, 1671 (TTAB 1994). Opposer's declarations merely state opinions and do not provide specific facts in support of its position. And, again, opposer cannot rely on Environmental's use of the term, as Environmental was a patent licensee, not a trademark licensee, so any use of the trademark by Environmental does not inure to the benefit of opposer. Additionally, the evidence shows that opposer assigned its trademark rights to Environmental without qualification, and that, as a result of Environmental relinquishing those

rights through the federal litigation settlement, it had no rights to assign back to opposer.¹²

Additionally, the evidence of use that opposer relies upon in applicant's exhibits C-F of the Spencer declaration does not demonstrate trademark use, but rather, at best, is use analogous to trademark use, and further, it is not use by opposer. Finally, because the arguments of counsel are not supported by any evidence of record, they are insufficient to raise a genuine issue of material fact. See, e.g., *Hornblower & Weeks Inc. v. Hornblower & Weeks, Inc.*, 60 USPQ2d 1733, 1736 (TTAB 2001).

Therefore, as to the AMMONIA ON DEMAND mark, after having carefully considering the evidence and arguments submitted by the parties in connection with the motion, and viewing that evidence in the light most favorable to opposer, we find that there is no genuine issue of material fact that opposer used the wording on its website on October 23, 2003 (Exh. B to applicant's Spencer Dec. in support of the motion for summary judgment); and that applicant has a constructive use date of September 3, 2003 for the term.

Thus, because the earliest date of use that opposer might be able to establish¹³ is October 23, 2003, which is

¹² Furthermore, as of September 2, 2003, and pursuant to a settlement agreement in Federal court, Environmental was enjoined from using or allowing anyone else to use the marks anywhere in the world.

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after applicant's constructive use date of September 3, 2003, opposer has not established that there is any genuine issue of material fact as to priority of use, and accordingly, applicant's motion for summary judgment is hereby granted as to the AMMONIA ON DEMAND mark.

In summary, applicant's motion for summary judgment is hereby granted as to both applications. The oppositions are hereby dismissed with prejudice.¹⁴

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¹³ It is not clear, however, how a single use on a website can constitute sufficient public exposure to be use analogous to trademark use for priority purposes.

¹⁴ In light of this order, the party's dispute over a protective agreement is considered moot, as is any motion to compel.